



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Issa Salomi
President
Zooma Enterprises, Inc.
2483 Imperial Avenue, # 95
San Diego, CA 92102

Attn: *Issa Salomi*
President, Zooma Enterprises, Inc.

Dear Mr. Salomi:

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) has reason to believe that you (“Salomi”) violated the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979 (the “Act”),² on four occasions. Specifically, BIS charges that Salomi committed the following violations:

Charge 1-3 (15 C.F.R. §764.2(g) - Material Misrepresentations to the U.S. Customs Service in the Course of an Investigation)

On or about January 11, 2002, in connection with the ongoing investigation referenced in charge 1, Salomi represented in a petition filed with the U.S. Customs Service that: 1) the ampul machine was to be exported to Jordan, 2) Zooma did not tell the freight forwarder that the ampul machine was to be exported to Iraq, and 3) Zooma was trying to sell the ampul machine in Jordan for profit. These representations were false as: 1) the ampul machine was to be exported to a company in

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2002). The violations charged occurred in 1998 and 2002. The Regulations governing the violations at issue are found in the 1998 and 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997, 2002)). The 1998 Regulations are substantially the same as the 2002 version of the Regulations which govern the procedural aspects of this case as well as charges two through four.

² 50 U.S.C. app. §§ 2401- 2420 (1994 & Supp. V 1999). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (1994 & Supp. V 1999)) (“IEEPA”). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 *Fed. Reg.* 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website-at: <http://w3.access.gpo.gov/BXA/>.



Iraq, 2) Zooma had informed the freight forwarder on at least two occasions that the ampul machine was going to Iraq, and 3) the ampul machine was being sold at no charge.

Accordingly, Salomi is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law is \$11,000 for charge 1 and \$12,000 per violation for charges 2-4;³

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Salomi fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If Salomi defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Salomi. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Salomi is further notified that he is entitled to an agency hearing on the record if Salomi files a written demand for one with his answer. (Regulations, Section 766.6). Salomi is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Salomi have a proposal to settle this case, he or his representative should transmit it to me through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Salomi's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of Salomi's answer must be served on BIS at the following address:

³Pursuant to the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. §2461, note (1994 & Supp. V 1999)), and 15 C.F.R. §6.4(a)(2), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000 is \$11,000, and the maximum penalty for each violation committed after November 1, 2000 is \$12,000,

Issa Salomi
Charging Letter
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DRAFT

Chief Counsel for Industry and Security
Attention: Melissa B. Mannino
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Melissa B. Mannino is the attorney representing BIS in this case; any communications that you may wish to have concerning this matter should occur through her. She may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:)
)
Issa Salomi)
President, Zooma Enterprises, Inc.,)
in his individual capacity)
2483 Imperial Avenue, # 95)
San Diego, CA 92 102,)
)
Respondent.)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Issa Salomi, President of Zooma Enterprises, in his individual capacity, (“Salomi”) and the Bureau of Industry and Security, United States Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2002)) (“Regulations”), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”).’

WHEREAS, BIS has notified Salomi of its intention to initiate an administrative proceeding against him, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Salomi that alleged that Salomi committed three violations of the Regulations, specifically:

¹ Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 14, 2002 (67 Fed. Reg. 53721 (August 16, 2002)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1707 (2000)).

1. *Three Violations of 15 C.F.R. §764.2(g) - Material Misrepresentations to the U.S.*

Customs Service in the Course of an Investigation: On or about January 11, 2002, in connection with the ongoing BIS investigation into the attempted export of an ampul filling and sealing machine to Iraq, Salomi, as President of Zooma Enterprises, represented in a petition filed with the U.S. Customs Service that: 1) the ampul machine was to be exported to Jordan, 2) Zooma Enterprises ("Zooma") did not tell the freight forwarder that the ampul machine was to be exported to Iraq, and 3) Zooma was trying to sell the ampul machine in Jordan for profit. These representations were false as: 1) the ampul machine was to be exported to a company in Iraq, 2) Zooma had informed the freight forwarder on at least two occasions that the ampul machine was going to Iraq, and 3) the ampul machine was being sold at no charge.

WHEREAS, Salomi has reviewed the proposed charging letter and is aware of the allegations made against him and the administrative sanctions which could be imposed against him if the allegations are found to be true;

WHEREAS, Salomi fully understands the terms of this Agreement and the Order of the Assistant Secretary of Commerce for Export Enforcement that will implement this Agreement ("Order");

WHEREAS, Salomi enters into this Agreement voluntarily and with full knowledge of his rights;

WHEREAS, Salomi states that no promises or representations have been made to him other than the agreements and considerations herein expressed;

WHEREAS, Salomi neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Salomi wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Salomi agrees to be bound by the Order, when entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Salomi, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against Salomi in complete settlement of the violations of the Regulations set forth in the proposed charging letter:

a. Salomi shall be assessed a civil penalty in the amount of \$24,000. Salomi shall pay the civil penalty in four installments of \$6,000 each. The payments of \$6,000 each shall be made to the U.S. Department of Commerce no later than July 1, 2003, November 1, 2003, January 1, 2004, and April 1, 2004, respectively.

b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Salomi. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Salomi's export privileges for a period of one year from the date of imposition of the penalty.

3. Salomi agrees that, subject to the approval of this Agreement pursuant to paragraph 8 hereof, he hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, when entered), including, without limitation,

any right to: (a) an administrative hearing regarding the allegations in the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, when entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, when entered.

4. Upon entry of the Order, BIS will not initiate any further administrative proceeding against Salomi in connection with any violation of the Act or the Regulations arising out the transactions identified in the proposed charging letter.

5. Salomi understands that BIS will make the proposed charging letter, this Agreement, and the Order, when entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

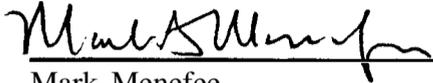
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, when entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS only when the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

ISSA SALOMI



Mark Menefee
Director
Office of Export Enforcement



Issa Salomi
President, Zooma Enterprises, Inc.
in his individual capacity

Date: 6/2/03

Date: 5/14/03

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:)
)
Issa Salomi)
President, Zooma Enterprises, Inc.,)
in his individual capacity)
2483 Imperial Avenue, # 95)
San Diego, CA 92 102,)
)
Respondent.)

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) notified Issa Salomi, President of Zooma Enterprises, (“Salomi”), of its intention to initiate an administrative proceeding against Salomi in his individual capacity pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2002)) (“Regulations”), and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),] based on the proposed charging letter issued to Salomi that alleged that he violated the Regulations on three occasions. Specifically, the charges are:

1. *Three Violations of 15 C.F. R. §764.2(g) - Material Misrepresentations to the U.S. Customs Service in the Course of an Investigation:* On or about January 11, 2002, in connection with the ongoing BIS investigation into the attempted export of an ampul filling and sealing machine to Iraq, Salomi, as President of Zooma Enterprises, Inc., represented in a petition filed with the U.S. Customs Service that:

¹ Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 14, 2002 (67 Fed. Reg. 53721 (August 16, 2002)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1707 (2000)).

1) the ampul machine was to be exported to Jordan, 2) Zooma Enterprises (“Zooma”) did not tell the freight forwarder that the ampul machine was to be exported to Iraq, and 3) Zooma was trying to sell the ampul machine in Jordan for profit. These representations were false as: 1) the ampul machine was to be exported to a company in Iraq, 2) Zooma had informed the freight forwarder on at least two occasions that the ampul machine was going to Iraq, and 3) the ampul machine was being sold at no charge.

BIS and Salomi having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

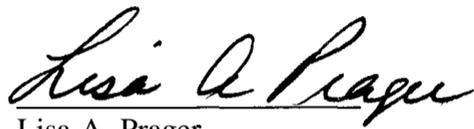
FIRST, Salomi shall be assessed a civil penalty in the amount of \$24,000. Salomi shall pay the civil penalty in four installments of \$6,000 each. The payments of \$6,000 each shall be made to the U.S. Department of Commerce no later than July 1, 2003, November 1, 2003, January 1, 2004, and April 1, 2004, respectively. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Salomi will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export License, license exception, permission, or privilege granted, or to be granted, to Salomi. Accordingly, if Salomi should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Salomi's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.



Lisa A. Prager
Acting Assistant Secretary of Commerce
for Export Enforcement

Entered this 24th day of June 3 .